



DEPARTMENT OF
FINANCE

GAVIN NEWSOM ■ GOVERNOR

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November 15, 2019

Mr. Steve Valenzuela, Chief Executive Officer and Chief Financial Officer
City of Los Angeles Designated Local Authority
448 South Hill Street, 12/F
Los Angeles, CA 90013

Dear Mr. Valenzuela:

Subject: Amended Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1) (E), the City of Los Angeles Designated Local Authority Successor Agency (Agency) submitted an Amended Recognized Obligation Payment Schedule for the period January 1, 2020 through June 30, 2020 (Amended ROPS 19-20B) to the California Department of Finance (Finance) on August 29, 2019. Finance has completed its review of the Amended ROPS 19-20B.

Based on a sample of line items reviewed and application of the law, Finance has made the following determination:

Item No. 348 – Project Specific Legal Costs in the total requested adjustment of \$1,350,000 in Other Funds is not allowed. It is our understanding that the requested adjustment relates to Item No. 487 – Judgments and Settlements, which was denied in the ROPS 18-19 determination letter dated April 10, 2018 because the Agency could not provide any documentation. The Agency now entered into a Settlement Agreement with the United States Department of Justice (Settlement Agreement). Per the Settlement Agreement, the Agency is required to make its payment by July 30, 2020. To be eligible to request an amendment to the ROPS under HSC section 34177 (o) (1) (E), the request must be to make a necessary payment on an approved enforceable obligation in the second half of the ROPS period. Since this request is not necessary for the payment of this item during the ROPS 19-20B period and that this item has not been approved as an enforceable obligation, the requested amendment is not approved. The Agency may request funding on the annual ROPS 20-21.

Since no adjustments were authorized for Redevelopment Property Tax Trust Fund (RPTTF), the Agency's maximum approved RPTTF distribution for the ROPS 19-20B period remains at \$49,472,992 as summarized in the Approved RPTTF Distribution table (See Attachment).

Please refer to the ROPS 19-20B schedule used to calculate the total RPTTF approved for distribution:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This is Finance's determination related to the funding of enforceable obligations reported on your Amended ROPS 19-20B. Please note there is not a Meet and Confer option for the Amended ROPS process, so Finance's determination is final. This determination is effective for this time period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if it was not denied on this Amended ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

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The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution statutes. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Joshua Mortimer, Supervisor, or Stephen Franz, Lead Analyst, at (916) 322-2985.

Sincerely,

 JENNIFER WHITAKER
Program Budget Manager

cc: Mr. De Dinh, Senior Accountant, City of Los Angeles Designated Local Authority
Ms. Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

Attachment

Approved RPTTF Distribution January 2020 through June 2020	
Authorized RPTTF on ROPS 19-20B	\$ 49,472,992
Authorized Administrative RPTTF on ROPS 19-20B	0
Total Authorized RPTTF on ROPS 19-20B	49,472,992
Total Requested 19-20B RPTTF Adjustments	0
Total Amended ROPS 19-20B RPTTF approved for distribution	49,472,992